



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

April 5, 2011

**MORTGAGEE LETTER 2011-16**

**TO: ALL APPROVED MORTGAGEES  
ALL HUD-APPROVED HOUSING COUNSELING AGENCIES**

**ATTENTION: SINGLE FAMILY SERVICING MANAGERS**

**SUBJECT: Home Equity Conversion Mortgage—Rescission of Mortgagee Letter 2008-38—  
Borrower's recourse for repayment of HECM debt**

On December 5, 2008, the U.S. Department of Housing and Urban Development (HUD) issued Mortgagee Letter (ML) 2008-38 to provide clarification to mortgagees regarding the requirements for repayment and termination of a Home Equity Conversion Mortgage loan.

HUD's intent in issuing ML 2008-38 was to supplement and explain provisions contained in the regulations at 24 CFR §206.125 and HUD Handbook 4235.1 (Home Equity Conversion Mortgages). Since there has been some uncertainty regarding the guidance in that ML, **HUD is rescinding ML 2008-38, effective** as of the date of this ML.

New guidance on topics related to the regulations at 24 CFR Part 206 and Handbook 4235.1 will be issued in the future. In the interim, mortgagees should refer to the regulations at 24 CFR Part 206 and the provisions in Handbook 4235.1 for guidance.

Any questions regarding this Mortgagee Letter may be directed to HUD's National Servicing Center at 1-888-297-8685 or [hsg-lossmit@hud.gov](mailto:hsg-lossmit@hud.gov). Persons with hearing or speech impairments may access this number via TDD/TTY by calling 1-877-TDD-2HUD (1-877-833-2483).

Sincerely,

/s/

Robert C. Ryan  
Acting Assistant Secretary for Housing-  
Federal Housing Commissioner